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DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Annual Financial Report

December 31, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/6/08

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**Office of District Attorney
Twenty-Second Judicial District
St. Tammany and Washington Parishes
701 North Columbia Street
Covington, Louisiana 70433**

Walter P. Reed
District Attorney
Personal

**Management's Discussion and Analysis
December 31, 2007**

The Management's Discussion and Analysis of the District Attorney's financial performance presents a narrative overview and analysis of the District Attorney's financial activities for the year ended December 31, 2007. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the basic financial statements, which begin on page 9 and the accompanying notes to the financial statements, which begin on page 17.

FINANCIAL HIGHLIGHTS

1. The District Attorney had cash and investments of \$2,400,951 at December 31, 2007 which represents an increase of \$913,035 from prior year end.
2. The District Attorney had receivables of \$131,352 at December 31, 2007 which represents a decrease of \$69,952 from prior year end.
3. The District Attorney had accounts payable and accruals of \$92,035 at December 31, 2007 which represents a decrease of \$24,347 from prior year end.
4. The District Attorney had total revenues of \$3,723,282 for the year ended December 31, 2007 which represents an increase of \$318,186 from prior year.
5. The District Attorney had charges for services of \$201,497 for the year ended December 31, 2007 which represents a decrease of \$14,977 from prior year.
6. The District Attorney had operating and capital grants of \$1,471,829 for the year ended December 31, 2007 which represents an increase of \$417,940 from prior year.
7. The District Attorney had total expenditures of \$4,034,932 for the year ended December 31, 2007 which represents an increase of \$317,455 from prior year.
8. The District Attorney had capital asset purchases of \$183,683 for the year ended December 31, 2007 which represents an increase of \$95,836 from prior year.
9. The District Attorney had no debt service payments for the year ended December 31, 2007 which represents no change from prior year.

Overview of the Financial Statements

The following graphic illustrates the minimum requirements for the District Attorney of the Twenty-Second Judicial District of the State of Louisiana as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments.

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information (other than MD&A)

These financial statements consist of three sections – Management’s Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 8 and 9) provide information about the activities of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana as a whole and present a longer-term view of the District Attorney’s finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

The Statement of Net Assets and the Statement of Activities report the District Attorney’s net assets and changes in them. You can think of the District Attorney’s net assets, the difference between assets and liabilities, as one way to measure the District Attorney’s financial health, or financial position. Over time, increases or decreases in net assets may serve an indicator whether the financial position of the District Attorney of the Twenty-Second Judicial District is improving or deteriorating.

Fund financial statements start on page 11. All of the District Attorney’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District Attorney’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney’s activities as well as what remains for future spending.

FINANCIAL ANALYSIS OF THE ENTITY

Net Assets of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana decreased by \$270,835 or 14.12% from the previous year. The decrease is the result of expenses exceeding operating and nonoperating revenues during the year ended December 31, 2007.

The District Attorney of the Twenty-Second Judicial District of the State of Louisiana’s total revenues, net of transfers, increased by \$318,186 or 9.34% from the previous year. The total cost of all programs and services increased by \$317,455 or 8.54% from the previous year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2007, the District Attorney of the Twenty-Second Judicial District had \$386,565, net of depreciation, invested in furniture, equipment, and vehicles. This amount represents a net decrease (including additions and decreases) of \$ 40,816 from the previous year.

Debt

The District Attorney of the Twenty-Second Judicial District had no outstanding debt at this year-end and the previous year-end.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$38,918 less than the budgeted amount. This amounts to a 1% variance.

Actual expenditures were \$300,432 more than the budgeted amounts due to operating services being more than expected. This amounts to an 8% variance.

EXPECTED FACTORS AND NEXT YEAR'S BUDGET

The District Attorney of the Twenty-Second Judicial District considered the following factors and indicators when setting next year's budget. These factors and indicators include:

1. Fees, fines, and charges for services
2. Intergovernmental revenues (federal and state grants)
3. Personal services expenses
4. Operating services expenses

The District Attorney of the Twenty-Second Judicial District does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT OF THE STATE OF LOUISIANA'S MANAGEMENT

This financial report is designed to provide a general overview of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's finances for all those with an interest in the government's finances and to show the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Attorney of the Twenty-Second Judicial District, Justice Center, 701 North Columbia Street, Covington, LA 70433.

Justin J. Scanlan, C.P.A.

CERTIFIED PUBLIC ACCOUNTANT
4769 ST. ROCH AVE. NEW ORLEANS, LOUISIANA 70122
TELEPHONE: (504) 288-0050

INDEPENDENT AUDITOR'S REPORT

The Honorable Walter P. Reed
District Attorney of the Twenty-Second Judicial District
State of Louisiana
Parishes of St. Tammany and Washington

I have audited the accompanying financial statements of the governmental activities and each major fund of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana as of and for the year ended December 31, 2007 as listed in the table of contents. These financial statements are the responsibility of management of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for our opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana, as of December 31, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 27, 2008, on my consideration of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

MEMBER

American Institute of Certified Public Accountants • Society of Louisiana Certified Public Accountants

The Management's Discussion and Analysis on pages 4 through 6 and supplemental information on pages 30 through 35 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations" and is also no a required part of the basic financial statements of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Justin J. Scanlan, CPA

New Orleans, Louisiana
June 27, 2008

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

Statement A

STATEMENT OF NET ASSETS
December 31, 2007

ASSETS

Cash and Cash Equivalents	\$ 2,400,951
Receivables	131,352
Capital Assets, net of Accumulated Depreciation	<u>386,565</u>
 TOTAL ASSETS	 <u><u>\$ 2,918,868</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable and Accrued Liabilities	\$ 92,035
Seized Assets Held	<u>1,179,080</u>
 TOTAL LIABILITIES	 1,271,115

NET ASSETS

Invested in capital assets	386,565
Unrestricted	<u>1,261,188</u>
 TOTAL NET ASSETS	 <u><u>\$ 1,647,753</u></u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 2,918,868</u></u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

Statement B

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2007

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Unit
FUNCTIONS/PROGRAMS				
Governmental activities:				
Public safety	\$ 900,643	\$ 1,565,037	\$ -	\$ 664,394
Health and welfare	3,093,474	-	2,053,234	(1,040,240)
Total governmental activities	3,994,117	1,565,037	2,053,234	(375,846)
General Revenues:				
Interest and investment earnings				91,840
Gains on disposition of asset				13,171
Total general revenues and special items				105,011
Excess of expenses over revenue				(270,835)
Net assets - January 1, 2007				1,918,588
Net assets - December 31, 2007				\$ 1,647,753

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2007

Statement C

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,288,183	\$ 112,768	\$ 2,400,951
Receivables	<u>51,624</u>	<u>79,728</u>	<u>131,352</u>
TOTAL ASSETS	<u><u>\$ 2,339,807</u></u>	<u><u>\$ 192,496</u></u>	<u><u>\$ 2,532,303</u></u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 6,898	\$ 85,137	\$ 92,035
Seized Assets Held	<u>1,179,080</u>	<u>-</u>	<u>\$ 1,179,080</u>
TOTAL LIABILITIES	1,185,978	85,137	1,271,115
FUND BALANCES			
Unrestricted	<u>1,153,829</u>	<u>107,359</u>	<u>1,261,188</u>
TOTAL FUND BALANCES	<u>1,153,829</u>	<u>107,359</u>	<u>1,261,188</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,339,807</u></u>	<u><u>\$ 192,496</u></u>	<u><u>\$ 2,532,303</u></u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
December 31, 2007

Total Fund Balances - Governmental Funds		\$ 1,261,188
Cost of Capital Assets at December 31, 2007	\$ 1,277,380	
Less: Accumulated Depreciation as of December 31, 2007	<u>(890,815)</u>	<u>386,565</u>
Total Net Assets at December 31, 2007 - Governmental Activities		<u>\$ 1,647,753</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the Year Ended December 31, 2007

Statement D

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTALS
REVENUE			
Commissions on fines and forfeitures	\$ 912,098	\$ -	\$ 912,098
Use of money and property-interest earnings	89,498	2,342	91,840
Grant from Louisiana Department of Social Services:			
Reimbursement of administrative costs	-	1,017,303	1,017,303
Grant - Law Enforcement	-	56,334	35,726
Grant - Victim Assistance Program	-	129,105	129,105
Grant - Juvenile Comm. Svc. Program	-	13,420	13,420
Grant - Fatherhood	-	182,566	182,566
Grant - Hurricane Katrina-Infrastructure	23,562	-	23,562
Grant - Article 562 Grant	-	2,227	2,227
Grant - Elder Abuse	-	36,419	36,419
Grant - Career Criminal	-	10,893	10,893
Fees - Fees account	-	192,685	192,685
Fees from various entities	201,497	-	201,497
Diversionsary program	89,289	412,282	501,571
Other revenue	-	-	-
Asset forfeiture revenue	151,427	-	151,427
Bond forfeiture	187,164	-	187,164
Gain on disposition of assets	13,171	-	13,171
TOTAL REVENUE	<u>\$ 1,667,706</u>	<u>\$ 2,055,576</u>	<u>\$ 3,723,282</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the Year Ended December 31, 2007

Statement D
continued

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTALS
EXPENDITURES			
General Government - Judicial:			
Salaries and Related Benefits	\$ -	\$ 2,719,421	\$ 2,719,421
Travel	9,334	19,926	29,260
Materials and Supplies:			
Office	193,207	374	193,581
Automobile	175,251	-	175,251
Capital Expenditures	182,390	1,293	183,683
Other Expenditures	522,851	210,885	733,736
TOTAL EXPENDITURES	<u>1,083,033</u>	<u>2,951,899</u>	<u>4,034,932</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 584,673	\$ (896,323)	\$ (311,650)
OTHER FINANCING SOURCES (USES)			
Operating Transfer In	-	881,845	881,845
Operating Transfer Out	(881,845)	-	(881,845)
Total Other Financing Sources (Uses)	<u>(881,845)</u>	<u>881,845</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(297,172)	(14,478)	(311,650)
FUND BALANCES AT BEGINNING OF YEAR	<u>1,451,001</u>	<u>121,837</u>	<u>1,572,838</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,153,829</u>	<u>\$ 107,359</u>	<u>\$ 1,261,188</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2007

Excess (Deficiency) of Revenue and Other Sources	\$ (311,650)
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CAPITAL ASSETS

Capital Outlay Capitalized	\$ 183,683	
Depreciation Expense	<u>(142,868)</u>	<u>40,815</u>
Change in Net Assets - Government Activities		<u><u>\$ (270,835)</u></u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of every criminal prosecution by the state in his district, is the representative of the state before the grand jury in his district, and is legal advisor to the grand jury. He performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The Twenty-Second Judicial District of Louisiana encompasses the parishes of St. Tammany and Washington.

A. Reporting Entity

As the governing authority for reporting purposes, the District Attorney of the Twenty-Second Judicial District of the State of Louisiana (The District Attorney) is the financial reporting entity, the primary government. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Organizations for which the District Attorney does not appoint a voting majority, but are fiscally dependent on The District Attorney.
 - a. the ability of The District Attorney to impose its will on that organization.
 - b. the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on The District Attorney.
2. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The District Attorney includes all funds, account groups, activities, et cetera, that are within the oversight responsibility of the District Attorney as an independently elected official. As an independently elected official, the District Attorney is solely responsible for the operations of his office, including fiscal and management responsibilities. Other than certain operating expenditures of the District Attorney's office that are paid or provided by the Police Jury of

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

A. Reporting Entity - Continued

Washington Parish, and by the Parish Council of St. Tammany, as required by Louisiana law, The District Attorney is financially independent. The accompanying financial statements present financial information only on the funds maintained by the District Attorney of the Twenty-Second Judicial District.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) and the fund financial statements comprise the basic financial statements. Both government-wide and fund financial statements categorize the primary activities. All of the activities of The District Attorney are classified as governmental.

The statement of Net Assets and the Statement of Activities provide information about the reporting government as a whole. These statements include all of the financial activities of The District Attorney.

In the Statement of Net Assets, governmental activities are presented on a full accrual, economic resource basis. Net assets are reported in three parts; invested in capital assets, net of any related debt, if any; restricted net assets; and unrestricted net assets. The District Attorney has no restricted net assets.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of The District Attorney are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions of activities.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

C. Basic Financial Statements – Fund Financial Statements - Continued

Fund Accounting

The District Attorney uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District Attorney only uses governmental funds.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

New Reporting Requirements

The District Attorney adopted the provision of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements, and Management's Discussion and Analysis (MD & A) for State and Local Governments for the first time this year. The District Attorney will be treated as a governmental-type activity for financial reporting purposes. The requirements for The District Attorney established by GASB Statement No. 34 are divided into the following sections: (a) Management's Discussion and Analysis, (b) Basic Financial Statements, and (c) Required Supplementary Information (other than MD & A).

General Fund

The General Fund is the primary operating fund of the District Attorney and it accounts for all financial resources, except those required to be accounted for in other funds. The general fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District Attorney policy.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

C. Basic Financial Statements – Fund Financial Statements - Continued

Special Revenue Fund

Accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, are designated by the District Attorney to be accounted for separately. The special revenue funds of the District Attorney of the Twenty-Second Judicial District consist of the following:

- Title IV-D Fund – consists of reimbursement grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.
- Worthless Checks Collection Fee Fund – consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides that the District Attorney receives from the principal to the offense, a prescribed amount upon collection of a worthless check. The funds may be used only to defray the salaries and expenses of the office of the District Attorney, and may not be used to supplement the salary of the District Attorney.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the District Attorney are the agency funds. The agency funds account for assets held by the District Attorney as an agent for other government entities. These funds are custodial in nature and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but do use the modified accrual basis of accounting. The agency funds of the District Attorney of the Twenty-Second Judicial District consist of the following:

- Asset Forfeiture Fund – is used as a depository for assets seized by local law enforcement agencies. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.
- Restitution Fund – is used to refund to those harmed from worthless checks.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2007

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

C. Basic Financial statements – Fund Financial Statements-Continued

- Bond Forfeiture Fund – is used as a depository for bonds forfeited to District Attorney offices. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.

D. Budget and Budgetary Accounting

The District Attorney prepares and adopts a budget each year for its general and all special revenue funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The District Attorney amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budget amounts by five percent or more. All budget appropriations lapse at year-end.

E. Cash and Cash Equivalents

Cash – includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents – includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rate. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

F. Investments

Investments are limited by R.S. 33:2955 and the District Attorney's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

G. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

H. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2007, none of the receivables were considered to be uncollectible.

I. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. If applicable, donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Depreciation of all exhaustible capital assets used by the District Attorney are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 5 to 10 years for movable property such as furniture and fixtures, equipment, and vehicles. The accompanying financial statements do not include property and equipment purchased by the Police Jury of Washington Parish nor by the Parish Council of St. Tammany for the District Attorney. This property and equipment is included in the financial records of those respective entities.

It is the policy of the District Attorney to capitalize all capital assets with an acquisition cost exceeding \$5,000.

J. Compensated Absences

Annual and sick leave for professional staff members is granted at the discretion of the District Attorney. Clerical employees are paid principally by the parish governing

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

J. Compensated Absences – continued

authorities of St. Tammany and Washington Parishes. Annual and sick leave for clerical employees is in accordance with leave policies of the respective parishes. At December 31, 2007, the District Attorney had no accumulated and vested employee leave benefits required to be reported in accordance with Governmental Accounting Standards Board Statement No. 16 (GASB 16).

K. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions includes savings, demand deposits, time deposits, and certificates of deposit. Under state law the District Attorney may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the District Attorney may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associates and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping mutually acceptable to both parties. The deposits at December 31, 2007 were secured as follows:

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2007

**NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS -
CONTINUED**

A. Deposits with Financial Institutions - Continued

	Cash	Certificates of Deposit	Total
Deposits in bank accounts per balance sheet:	\$ 162,126	\$2,238,825	\$2,400,951

The following is a breakdown by banking institution and amount of the balances shown above:

Category 1

<u>Banking Institution</u>	
Resource Bank	\$ 698,425
Capital One	13,005
Hancock Bank	1,147
Central Progressive Bank	270,596
American Bank & Trust	102,479
Citizens Bank	1,212,721
Community State Bank	<u>102,579</u>
Total	<u>\$2,400,951</u>

B. Investments

At December 31, 2007, the District Attorney had no investments.

C. Seized Assets Held

The large increase in cash and cash equivalents was the result of an asset seizure of \$1,179,080. This amount is shown as a liability in the General Fund where the seized assets are held.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2007

NOTE 3 – ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2007:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>IV-D Fund</u>	<u>Total</u>
Fees, Fines and charges for services	\$ 51,624	\$ -	\$ 51,624
Intergovernmental Revenues	<u>-</u>	<u>79,728</u>	<u>79,728</u>
Total	<u>\$ 51,624</u>	<u>\$ 79,728</u>	<u>\$131,352</u>

NOTE 4 – CAPITAL ASSETS

A summary of District Attorney of the Twenty-Second Judicial District of the State of Louisiana's capital assets at December 31, 2007 follows:

	<u>Balance Dec. 31, 2006</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance Dec. 31, 2007</u>
Capital Assets				
Automobile	\$ 509,213	\$ 140,178	(\$ 76,882)	\$ 577,509
Leasehold Improvements	122,355	-	-	122,355
Equipment, Furniture & Fixtures	<u>539,010</u>	<u>43,506</u>	<u>-</u>	<u>582,516</u>
Total Capital Assets	1,170,578	183,684	(76,882)	1,277,380
Less accumulated depreciation	<u>(824,829)</u>	<u>(142,868)</u>	<u>76,882</u>	<u>(890,815)</u>
Total Capital Assets, net	<u>\$ 345,749</u>	<u>\$ 40,816</u>	<u>\$ -</u>	<u>\$ 386,565</u>

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2007

NOTE 5 – PENSION PLANS

The District Attorney participates in two cost-sharing, multiple employer, public employees retirement systems (PERS). The district attorney and assistant district attorneys are members of the District Attorney's Retirement System. Other personnel of the district attorney's office are members of the Parochial Employees Retirement System of Louisiana, Plan A. These retirement systems are cost-sharing, multiple employer, statewide retirement systems which are administered by separate boards of trustees. The contributions of participating agencies are pooled within each system to pay the accrued benefits of their respective participants. The contribution rates are approved by the Louisiana Legislature.

A. District Attorneys' Retirement System

Following is a summary of the District Attorney's Retirement System for the most recent valuation date which was June 30, 2007:

<u>Actuarial Value of Plan Assets</u>	\$213,739,881
---------------------------------------	---------------

<u>Unfunded Pension Benefit Obligation</u>	None
--	------

1) Amount of The District Attorney Current Year Covered Payroll	\$ 882,126
---	------------

Amount of The District Attorney Current Year Total Payroll	\$ 882,126
--	------------

- 2) The District Attorney and Assistant District Attorneys are members of the Retirement System.

Retirement benefits are equal to 3% of the members average fund compensation multiplied by the number of years of their membership service, not to exceed 100% of their average final compensation.

A participant may retire after ten (10) years of creditable service and 60 years of age or older, at age 55 with 18 years creditable service, or at age 50 with 23 years of creditable service.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2007

NOTE 5 – PENSION PLAN – CONTINUED

A. District Attorneys' Retirement System - Continued

For members who joined the System after July 1, 1990, or who elected to be covered by the new provisions the following applies: Members are eligible to receive normal retirement benefits if they are age 50 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5 percent of the member's final average compensation multiplied by years of membership service. A member is eligible for early retirement if they are age 55 and have 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced by 3 percent for each year the member retires in advance of normal retirement age. Benefits may not exceed 100 percent of average final compensation. The System also provides death and disability benefits. Benefits are established or amended by state statute.

- 3) The District Attorney Retirement System was created by provision of Act 91 of the 1950 Legislature, as amended, up to and including Act 256 of 1986 and required the following provisions:

The District Attorney contributed 3.5% of the covered Payroll for 2007, which is remitted to the District Attorney's Retirement System.

The employee portion is 7% for full-time employees.

- 4) Retirement plan contributions for the year amounted to \$16,666. These funds are remitted to the District Attorney Retirement System.
- 5) The assumptions used for valuation were the same as those Utilized for the prior year.
- 6) The District Attorney System, a cost-sharing multiple-employer plan, does not conduct separate measurements of assets and pension benefit obligations for individual employers. Also, membership data is not available by individual employer. The amount shown below as the "pension benefit obligation" is a

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2007

NOTE 5 – PENSION PLAN – CONTINUED

A. District Attorneys' Retirement Systems - Continued

Standardized disclosure measure of the present value of pension Benefits for the state-wide plan	
Active Members	716
Retirees, beneficiaries and terminated employees	141
Total pension benefit obligation	\$ 42,887,345
Total net assets available for benefits	\$221,739,881

- 7) The historical trend information shall be included in the separately
Issued District Attorney's Retirement System annual report.

B. Parochial Employees' Retirement System

Substantially all other employees of the Twenty-Second Judicial District are members of the Parochial Employees Retirement System of Louisiana, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two district plans, Plan A and Plan B, with separate assets and benefit obligations. All employees of the District Attorney are members of Plan A.

Following is a summary of the Parochial Employees' Retirement System:

- 1) Amount of The District Attorney, Current Year Covered Payroll \$1,814,781

Amount of The District Attorney, Current Year Total Payroll \$1,890,656

- 2) All permanent employees of The District Attorney are members
of the Retirement System.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2007

NOTE 5 – PENSION PLAN – CONTINUED

C. Parochial Employees' Retirement System – Continued

Retirement benefits are computed based on the highest thirty-six (36) consecutive or joined months of salary.

A participant may retire after twelve (12) years of creditable Service and 55 years of age or older, or at age 50 with 30 years of creditable services.

3) The District Attorney Parochial Employees Retirement System provision of Act 91 of the 1950 Legislature, as amended, up to and including Act 256 of 1986 and required the following provisions:

The District Attorney contributed 12.75% of the covered Payroll for 2007, which is remitted to the District Attorney Parochial Employees.

The employees' portion is 9.5% for full-time employees.

4) Retirement plan contributions for the year amounted to \$115,349. These funds are remitted to the District Attorney Parochial Employees Retirement System.

5) The assumptions used for valuation were the same as those utilized for the prior year.

6) The District Attorney System, a cost sharing multiple-employer plan, does not conduct separate measurements of assets and pension benefit obligations for individual employers. Also, membership data is not available by individual employer.

7) The valuation report as of December 31, 2007 was not completed as of the report date.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2007

NOTE 5 – PENSION PLAN – CONTINUED

C. Parochial Employees' Retirement System - Continued

8) The historical trend information shall be included in the separately issued District Attorney's Parochial Employees' Retirement System annual report.

NOTE 6 -INTERFUND TRANSFERS

Operating transfers for the year ended December 31, 2007, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 881,845
Special Revenue Fund	881,845	-
Total	<u>\$ 881,845</u>	<u>\$ 881,845</u>

NOTE 7 - LEASES

The District Attorney's office has operating leases as of December 31, 2007. The lease expenditures are as follows:

Vehicles	\$88,817
----------	----------

Future minimum rental commitments under operating leases are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2008	\$24,566
2009	<u>8,962</u>
	<u>\$33,528</u>

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued
For the Year Ended December 31, 2007

NOTE 8 - LITIGATION

The District Attorney of the Twenty-Second Judicial District of the State of Louisiana was not involved in any litigation, nor is he aware of any unasserted claims at December 31, 2007.

NOTE 9 - CLAIMS AND JUDGEMENTS

The District Attorney of the Twenty-Second Judicial District of the State of Louisiana participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District Attorney may be required to reimburse the grantor government. The District Attorney believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District Attorney.

NOTE 10 - RISK MANAGEMENT

The District Attorney of the Twenty-Second Judicial District of the State of Louisiana is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District Attorney maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to provide any significant uninsured losses to the District Attorney.

SUPPLEMENTAL INFORMATION

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington
STATEMENT OF FIDUCIARY NET ASSETS
December 31, 2007

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 331,749
	<hr/>
TOTAL ASSETS	<u>\$ 331,749</u>
LIABILITIES	
Due To Other Governmental Units	\$ 331,749
	<hr/>
TOTAL LIABILITIES	<u>\$ 331,749</u>

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

Combined Statement of Revenue, Expenditures, and Changes in
Fund Balances - Budget (GAAP Basis) and Actual
General and Special Revenue Funds
For the Year Ended December 31, 2007

	General Fund			Special Revenue Funds			Total (Memo Only)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUE									
Commissions on fines and forfeitures	\$ 950,000	\$ 912,098	\$ (37,902)	\$ -	\$ -	\$ -	\$ 950,000	\$ 912,098	\$ (37,902)
Use of money and property-interest earnings:	3,000	89,498	\$ 86,498	4,500	2,342	(2,158)	7,500	91,840	84,340
Grant from Louisiana Department of Social Services:									
Reimbursement of administrative costs	-	-	-	944,500	1,017,303	72,803	944,500	1,017,303	72,803
Grant - Victim Assistance Program	-	-	-	-	129,105	129,105	-	129,105	129,105
Grant - Juvenile Comm. Svc. Program	-	-	-	22,000	13,420	(8,580)	22,000	13,420	(8,580)
Grant - Fatherhood	-	-	-	-	182,566	182,566	-	182,566	182,566
Grant - Article 562 Grant	-	-	-	-	2,227	2,227	-	2,227	2,227
Grant - Hurricane Katrina-Infrastructure	-	23,562	23,562	-	-	-	-	23,562	23,562
Grant - Career Criminal	-	-	-	-	10,893	10,893	-	10,893	10,893
Grant - Elder Abuse	-	-	-	-	36,419	3,419	-	36,419	3,419
Grant - Law Enforcement	-	-	-	33,000	56,334	(195,366)	33,000	56,334	(195,366)
Fees - Fees account	-	-	-	251,700	192,685	92,685	251,700	192,685	92,685
Fees from various entities	-	-	-	100,000	192,685	92,685	100,000	192,685	92,685
Diversionsary program	335,000	201,497	(133,503)	-	-	-	335,000	201,497	(133,503)
Other revenue	-	89,289	89,289	430,000	412,282	(17,718)	430,000	501,571	71,571
Asset forfeiture revenue	206,500	-	(206,500)	-	-	-	206,500	-	(206,500)
Bond forfeiture	132,000	151,427	19,427	-	-	-	132,000	151,427	19,427
Gain on disposition of assets	350,000	187,164	(162,836)	-	-	-	350,000	187,164	(162,836)
	-	13,171	13,171	-	-	-	-	13,171	13,171
Total Revenue	\$ 1,976,500	\$ 1,667,706	\$ (308,794)	\$ 1,785,700	\$ 2,055,576	\$ 269,876	\$ 3,762,200	\$ 3,723,282	\$ (38,918)

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

Combined Statement of Revenue, Expenditures, and Changes in
Fund Balances - Budget (GAAP Basis) and Actual
General and Special Revenue Funds - Continued
For the Year Ended December 31, 2007

	General Fund			Special Revenue Funds			Total (Memo Only)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
EXPENDITURES									
General Government - Judicial:									
Salaries and related benefits	\$ -	\$ -	\$ -	\$ -	\$ 2,719,421	\$ (76,579)	\$ 2,796,000	\$ 2,719,421	\$ (76,579)
Travel	10,500	9,334	(1,166)	-	19,926	19,926	10,500	29,260	18,760
Materials and supplies:									
Office	114,000	193,207	79,207	40,500	374	(40,126)	154,500	193,581	39,081
Automobile	84,500	175,251	90,751	6,500	-	(6,500)	91,000	175,251	84,251
Capital expenditures	54,500	182,390	127,890	8,000	1,293	(6,707)	62,500	183,683	121,183
Other expenditures	583,000	522,851	(60,149)	37,000	210,885	173,885	620,000	733,736	113,736
Total Expenditures	846,500	1,083,033	236,533	2,888,000	2,951,899	63,899	3,734,500	4,034,932	300,432
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 1,130,000	\$ 584,673	\$(545,327)	\$(1,102,300)	\$ (896,323)	\$ 205,977	\$ 27,700	\$ (311,650)	\$ (339,350)

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

Combined Statement of Revenue, Expenditures, and Changes in
Fund Balances - Budget (GAAP Basis) and Actual
General and Special Revenue Funds - Continued
For the Year Ended December 31, 2007

	General Fund			Special Revenue Funds			Total (Memo Only)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
OTHER FINANCING SOURCES (USES):									
Operating Transfer In	\$ -	\$ -	\$ -	\$ 1,130,000	\$ 881,845	\$ (248,155)	\$ 1,130,000	\$ 881,845	\$ (248,155)
Operating Transfer Out	(1,130,000)	(881,845)	248,155	-	-	-	(1,130,000)	(881,845)	248,155
Total Other Financing Sources (Uses)	(1,130,000)	(881,845)	248,155	1,130,000	881,845	(248,155)	-	-	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ (297,172)	\$ (297,172)	\$ 27,700	\$ (14,478)	\$ (42,178)	\$ 27,700	(311,650)	\$ (339,350)
FUND BALANCES AT BEGINNING OF YEAR		1,451,001			121,837			1,572,838	
FUND BALANCES AT END OF YEAR		\$ 1,153,829			\$ 107,359			\$ 1,261,188	

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

FIDUCIARY FUND TRUST

Schedule of Changes in the Balance of Restitution to Victims
For the Year Ended December 31, 2007

<u>BALANCE AT BEGINNING OF YEAR</u>	\$ 32,548
<u>ADDITIONS</u>	
Collections:	
Restitution payments	573,707
Fees	85,697
Diversionary payments	86,205
Interest income	<u>955</u>
Total additions	746,564
<u>REDUCTIONS</u>	
Settlements:	
Restitution - victims	545,611
Restitution - unclaimed	5,498
Fees Special Revenue Fund	87,668
Diversionary payments	89,412
Bank charges	<u>-</u>
Total reductions	<u>728,189</u>
<u>BALANCE AT END OF YEAR</u>	<u>\$ 50,923</u>

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2007

<u>Federal/Grantor Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services:			
Pass-Through State Department of Social Services; Child Enforcement Services:	93.563	DOA 355201076 DSS CFMS 574381	\$ 1,017,303
TANF: Temporary Assistance for Needy Families (Fatherhood Grant)	93.558	CFMS 635002	182,566
Total U.S. Dept of Health and Human Services			<u>\$ 1,199,869</u>
U.S. Department of Justice:			
Pass-Through Louisiana Commission on Law Enforcement; Violent Crime Prosecution:	16.579	B025-032	\$ 10,893
Victim Assistance Program:	16.575	C-01-7-010	129,105
Elderly Victims of Crime	16.575	C-04-5-02L	36,419
Juvenile Community Service Program:	16.540	399-5-013	13,420
Domestic Violence Program:	16.588	M03-7-004	56,334
Article 562, Electronic Equipment	16.588	M03-7-004	2,227
Total U.S. Dept of Justice			<u>\$ 248,398</u>
TOTAL FEDERAL AWARDS			<u>\$ 1,448,267</u>

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - Basis of Presentation

The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. Federal pass through funds are presented by the entity through which the organization received the federal financial assistance.

Justin J. Scanlan, C.P.A.

CERTIFIED PUBLIC ACCOUNTANT
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TELEPHONE: (504) 288-0050

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Walter P. Reed
District Attorney of the Twenty-Second Judicial District
State of Louisiana
Parishes of St. Tammany and Washington

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana, as of and for the year ended December 31, 2007 and have issued my report thereon dated June 27, 2008. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney of the Twenty-Second Judicial District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District Attorney of the Twenty-Second Judicial District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District Attorney of the Twenty-Second Judicial District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District Attorney of the Twenty-Second Judicial District's financial statements that is more than inconsequential will not be prevented or detected by the District Attorney of the Twenty-Second Judicial District's internal control.

MEMBER

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A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District Attorney of the Twenty-Second Judicial District's internal control.

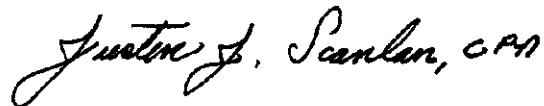
My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as item 2007-1.

The District Attorney of the Twenty-Second Judicial District of the State of Louisiana's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit The District Attorney of the Twenty-Second Judicial District of the State of Louisiana's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of the District Attorney, the Legislative Auditor and the cognizant Federal Agency, and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



New Orleans, Louisiana
June 27, 2008

Justin J. Scanlan, C.P.A.

CERTIFIED PUBLIC ACCOUNTANT
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Walter P. Reed
District Attorney of the Twenty-Second Judicial District
State of Louisiana
Parishes of St. Tammany and Washington

Compliance

I have audited the compliance of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. The District Attorney of the Twenty-Second Judicial District of the State of Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's management. My responsibility is to express an opinion on the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's compliance with those requirements.

MEMBER

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In my opinion, the District Attorney of the Twenty-Second Judicial District of the State of Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of The District Attorney of the Twenty-Second Judicial District of the State of Louisiana's internal control over compliance.

A control deficiency in The District Attorney of the Twenty Second Judicial District of the State of Louisiana's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. *A significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects The District Attorney of the Twenty-Second Judicial District of the State of Louisiana's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by The District Attorney of the Twenty-Second Judicial District of the State of Louisiana's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by The District Attorney of the Twenty-Second Judicial District of the State of Louisiana's internal control.

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the District Attorney, the Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Justin J. Scanlon, CPA

New Orleans, Louisiana
June 29, 2008

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2007

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the government-wide and fund financial statements of The District Attorney of the Twenty-Second Judicial District of the State of Louisiana.
2. The statement that significant deficiencies in internal control were disclosed by the audit of the financial statements and whether any such conditions were material weaknesses is not applicable.
3. There was one instance of noncompliance and other matters relative to the financial statements of The District Attorney of the Twenty-Second Judicial District of the State of Louisiana.
4. The statement that significant deficiencies in internal control over major programs were disclosed by the audit and whether any such conditions were material weakness is not applicable.
5. The auditor's report on compliance for major federal award programs for The District Attorney of the Twenty-Second Judicial District of the State of Louisiana expresses an unqualified opinion on all major federal programs.
6. The audit disclosed no findings, which are required to be reported under Section 510 (a) of Circular A-133.
7. The program tested as a major program included:
 - U. S. Department of Health and Human Services:
 - Child Enforcement Services (CFDA # 93.563)
8. The threshold for distinguishing between Type A and Type B programs was \$300,000.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
For the year ended December 31, 2007

A. SUMMARY OF AUDITOR'S RESULTS- CONTINUED

9. The District Attorney of the Twenty-Second Judicial District of the State of Louisiana did not qualify as a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

OTHER MATTERS

2007-1. – Illegal Act

Condition: A former employee of the District Attorney's office allegedly sold individuals' criminal histories to two private investigative firms between the period of January, 2003 through May, 2004. It is illegal to use the database for any purpose other than for official law enforcement activities. The District Attorney suspended the employee in May, 2004 upon becoming aware of the FBI investigation. After learning more details, the employee was terminated in September, 2004. The former employee was indicted in Federal court in June, 2008.

Recommendation: The District Attorney should investigate all allegations and take appropriate action as warranted. Response: The employee was suspended and upon verification of the facts and circumstances was subsequently terminated.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
For the year ended December 31, 2007

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS
PROGRAMS AUDIT**

There were no items identified in the course of my testing during the current year required to be reported.

D. STATUS OF PRIOR YEAR AUDIT FINDINGS

There were no prior year audit findings.